

TESTIMONY IN OPPOSITION TO HB 626

Kate Whitney
Administrator – Utility Division, Montana Public Service Commission
February 21, 2007

Mr. Chairman and Members of the Committee,

The Public Service Commission opposes HB 626, which would establish an interim committee to study electricity default supply service and report its findings and legislative recommendations to the Energy and Telecommunications Interim Committee.

The reasons for the PSC's opposition include:

(1) In informal and formal rulemaking proceedings in 1999, the PSC investigated various default supply options, which included surveying the default supply frameworks in other states and soliciting comments on implementing a PSC-managed competitive bidding process for default supply service. Many commenters opposed the concept and it was not adopted by the PSC.

(2) As you know, the PSC supports re-integration of NorthWestern Energy and transitioning the company back to being a traditionally regulated utility. This bill that requires a study of default supply service implies that the current default supply framework will continue.

(3) Drawing upon their own experiences as former legislators, the commissioners expressed skepticism of legislative studies in general as often wasting taxpayers' money since studies, once completed, often end up collecting dust in a library somewhere.

The PSC recommends a DO NOT PASS on HB 626.